

## **FISCAL NOTE**

### **SB 2734 - HB 2446**

February 2, 2000

**SUMMARY OF BILL:** Creates the Tennessee Millenium Trust Act and establishes a trust fund known as the Tennessee Millenium Trust within the State Treasury. All funds received by the state under the Attorneys General Master Tobacco Settlement Agreement shall be deposited in the Tennessee Millenium Trust Fund. Payments into the trust fund constitute the principal of the trust and shall not be expended or appropriated for any purpose nor shall any portion of such principal be proposed or recommended by the governor for expenditure in the budget document, appropriations bill, or otherwise. Reasonable and necessary expenses of administration of the fund may be paid from interest or income received on the principal of the trust fund. Provides any other expenditure of interest or income from the principal of the trust shall be made through specific appropriations in each general appropriations act, as determined by the general assembly. The interest accumulated from the corpus of the Millennium Trust fund, 50% of such interest shall be available for grant to health care providers to offset losses incurred in providing health care services on behalf of persons enrolled in the programs pursuant to Title 71, Chapter 5. It shall be the responsibility of the Department of Health to develop guidelines for such eligibility. The remaining 50% shall be used to assist agriculture related purposes in accordance with guidelines established by the Department of Agriculture. Such assistance may include but is not limited to: (1) Community incubator programs for tobacco-dependent communities, (2) Studies on the economic consequences of the elimination of quotas and the potential for alternative cash crops and other matters that affect tobacco growers, (3) Indemnify tobacco farmers for the decline or elimination of tobacco quotas. These funds shall not be used to supplant current funding to assist health care providers and agriculture related purposes. Authorizes the State Treasurer to promulgate rules and regulations necessary to perform the State Treasurer's responsibilities under this section.

### **ESTIMATED FISCAL IMPACT:**

#### **Increase State Expenditures - Not Significant**

**Other Fiscal Impact - Restricts the use of any tobacco settlement funds, estimated to be in excess of \$200,000,000 in calendar year 2000, by establishing a trust fund for all such funds and restricting expenditures to interest earnings only.**

Estimate assumes the Departments of Treasury, Health, and Agriculture will use existing staff and resources to administer the provisions of this bill.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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